NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision

PAID UP OIL AND GAS LEASE (No Surface Use)

THIS LEASE AGREEMENT (this "Lease") is made as of the 5thday of November, 2008, between IMGLESIA NI CRISTO, a Hawaii Religious Corporation, whose address is 1617 Southgate Avenue, Daly City, CA 94015, as Leaser, and Dale Property Services, L.L.C., a Texas Ilmited liability company, whose address is 2100 Ross Avenue, Suite 1870, LB-9, Dallas, Texas 75234, as Leasec.

1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described land, hereinafter called leased premises:

0.177 ACRES OF LAND, MORE OR LESS, BEING ALL OF LOT 64, BLOCK 2, OUT OF ARBOR PARK, AN ADDITION TO THE CITY OF FORT WORTH, TARRANT COUNTY, TEXAS, WITH METES AND BOUNDS BEING MORE PARTICULARLY DESCRIBED IN THAT PLAT THEREOF FOUND IN VOLUME 388-208, PAGE 60, OF THE PLAT RECORDS OF TARRANT COUNTY, TEXAS.

in the County of Tarrant, State of TEXAS, containing 0.177 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in association therewith (including geophysical/seismic operations). The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

2. This lease, which is a "puid-up" lease requiring no rentals, shall be in force for a primary term of three (3) years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from hands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof.

3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other tiquid hydrocarbons separated at Lessee's separator facilities, the royalty shall be twenty-live pergent (25%) of such production, to be delivered at Lessee's option to Lessor at the welthead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the nearest field in which there is such a prevailing price) for production of similar grade and gravity; (b) for gas (including easinghead gas) and all other substances covered hereby, the royalty shall be twenty-live pergent (25%) of the proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, than in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences its purchases hereunder; and (c) if at the end of the primary term or any time thereuiter one or more wells on the leased premises or lands pooled therewith are capable of either production die gas or other substances covered hereby in paying quantities or such wells are whiten or production therefrom is not being sold by Lessee, such well or wells are either shut-in or production therefrom is not being sold by Lessee, such well or wells are shut-in or production therefrom is not being sold by this l

4. All shut-in royalty payments under this lease shall be paid or tendered to Lessor's credit in <u>at lessor's address above</u> or its successors, which shall be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or tenders may be made in currency, or by check or by draft and such payments or tenders to Lessor or to the depository by deposit in the US Mails in a stamped envelope addressed to the depository or to the Lessor at the last address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or for any reason full or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive payments.

5. Except as provided for in Pangraph 3, above, if Lessee drills a well which is incapable of producing in paying quantities (hereinafter called "dry hole") on the leased premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit boundaries pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event this lease is not otherwise being maintained in force it shall nevertheless remain in force if Lessee commences operations for reworking an existing well or for drilling an additional well or for otherwise obtaining or restoring production on the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within 90 days after such ceasetion of all production. If at the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other operations reasonably calculated to obtain or restore production therefrom, this lease shall remain in force so long as any one or more of such operations are prosecuted with no cussation of more than 90 consecutive days, and if any such operations result in the production of oil or gas or other substances covered hereby, as long thereafter as there is production in paying quantities from the leased premises or lands pooled therewith. After completion of a well capable of producing in paying quantities hereunder, Lessee shall drill such additional wells on the leased premises or lands pooled therewith as a reasonably prudent operator would drill under the same or similar circumstances to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises or lands pooled therewith, or (b) to protect the leased premises as to formations then capable of producing in paying quantities not pooled therewith. There shall be no covenant to drill explorat

6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 60 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of loss than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment, and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production which the net acreage covered by this lease and included in the

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describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lesse and included in the unit bears to the total gross acreage in the unic, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands gooted therewith shall be reduced to the proportion that Lesson's interest in such part of the leased premises bears to the full mineral

estate in such part of the leased premises.

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's whership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferre to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hercunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any postion of the area covered by this lease or any depths or zones thereunder, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shull

- be proportionately reduced in accordance with the net ucreage interest retained hereunder.

 10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lesses shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, trest and/or transport production. Lossee may use in such operations, free of cost, any oil, gas, water und/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillury rights grunted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plaw depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.
- 11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or casements, or by fire, flood, adverse weather conditions, war, subotage, rebellion, insurrection, riot, strike or labor disputes, or by mability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hercof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted,
- 12. In the event that Lessor, during the primary term of this lease, receives a bone fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease. Lessor hareby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in
- 13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessoe hereunder, for a period of at least 90 days after Lessor has given Lessoe written notice fully describing the breach or default, and then only if Lessoe fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.
- 14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.
- 15. Lessor hereby warrants and agrees to defend little conveyed to Lessee hereunder, and agrees that Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Losses exercises such option, Leases shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

 16. Notwithstanding anything contained to the contrary in this lesse, Lessee shall not have any rights to use the surface of the lessed premises for drilling or other
- operations.
- 17. Lessor, and their successors and assigns, hereby grants Lessee an option to extend the primary term of this lease for an additional period of TWO (2) YEARS from the end of the primary term by paying or tendering to Lessor prior to the end of the primary term the same bonus consideration, terms and conditions as granted
 - 18. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original,

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas leuse payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lesse without durers or untire influence. Lessor recognizes that lesse values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to after the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other tessorsfoll and gas owners.

See exhibit "A" attached hereto and by reference made a part hereof.

IN WITNESS WHEREOF, this Lease is executed to be effective as of the date first written above, but upon execution shall be binding on each signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this Lease has been executed by all parties hereinabove named as Lessor.

IMGLESIA NI CRISTO, a Hawaii Religious Curporation

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BY: Allan A. Villanueva TITLE: Atterney in Fact

State of California)
County of San Mateo)
On November 5, 2008 before me, Violie S. Edrosolan, Notary Public,
personally appeared
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument, the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.
Witness my hand and official seal VIOLIE S. EDROSOLAN Commission # 1609920
Signature Notary Public - California San Mateo County Ny Comm. Expires Oct 27, 2009 Notary Public - California San Mateo County My Comm. Expires Oct 27, 2009
DESCRIPTION OF ATTACHED DOCUMENT
Title or Type of Document: Paid up Oil and Gas Lease
Document Date: November 5, 2008 Number of Pages: four
Signer(s) Other Than Named Above:
CAPACITY(IES) CLAIMED BY SIGNER
Signer's Name: Allan Villanueva
Individual Corporate Officer - Title(s) Corporate Secretary Partner - Limited General Attorney - in - Fact Trustee Guardian or Conservator Other: Signer is Representing: Iglesia Ni Cristo (Church of Christ)
Signer is Representing: Iglesia Ni Cristo (Church of Christ)

Exhibit "A"

Additional Provisions

The terms set forth below are incorporated into the Oil and Gas Lease dated November 5, 2008, between INCLESIA NI CRISTO, a Hawaii Religious Corporation, as Leasor, and Dale Property Services, L.L.C., a Texas limited liability company, as Leasor. In the event of a conflict between the terms of this Exhibit A and the other provisions of the Lease, the terms of this Exhibit A shall control.

- 19. Notwithstanding anything contained in this Lease to the contrary, Lessee does hereby expressly release and waive, on behalf of Lessee and Lessee's successors and assigns, all of Lessee's rights of every kind and character to enter upon and use the surface of the Leased Premises for the purpose of drilling, producing, processing, transporting, mining, treating, or storing, of oil, gas or other minerals. No derrick, other surface equipment, or pipeline shall be erected, maintained, installed or permitted on any part of said land. Nothing herein contained shall ever be construed to prevent Lessee from developing or producing the oil and/or gas in and under the Leased Premises or lands pooled therewith by pooling or by directional or horizontal drilling under said land from wellsites located on tracts of land other than the Leased Premises,
- 20. For purposes of this Lease, "oil and gus" means oil, gas and other liquid and guseous hydrocarbons and their constituent elements produced through a well bore. "Gas" includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. Expressly excluded from this Lease are liquide, coal, sulfur and other like minerals. Lessee shale have no rights to water in, on, or under lands of Lessor.
- 21. Lessor excepts, reserves and excludes from this lesse all surface and near surface soils, minerals, sand, gravel, and caliche and all surface and subsurface fresh water. Lessee or Lessee's heirs, successors, and assigns shall be responsible for any damage to fresh water sands and water wells, which result from the exercise of leasehold rights stated herein.
- 22. Lessee shall indemnify Lessor, hold Lessor harmless and defend Lessor from and against any and all losses, damages, claims, demands, suits (including appeals), liabilities, fines, penalties and expenses (including reasonable attorney's fees and costs) (collectively "Claims") that are brought by or on behalf of any person or entity, alleging bodily injury, illness, or death or physical damage, loss, or loss of use of any property, and which arise out of, relate to, or are connected with Lessee's operations, or the performance of Lessee's employees or Lessee's independent contractors or subcontractors pursuant to this lease.
- 23. Special Warranty Only. Lessor makes no warranty of any kind with respect to title to the Leased Premises, except by, through and under Lessor. By acceptance of this Lease, Lessee acknowledges that it has been given full opportunity to investigate and has conducted sufficient investigation to satisfy itself as to the title to the Leased Premises, and Lessee assumes all risk of title failures except by, through and under Lessor. If Lessor owns an interest in the Leased Premises less than the entire fee simple estate, then the royalties payable hereunder will be reduced proportionately.
- 24. It is agreed between the Lessor and Lessee that, notwithstanding any language herein to the contrary, all oil, gas or other proceeds accruing to the Lessor under this lease or by state law shall be without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, and marketing the oil, gas and other products produced hereunder to transform the product into marketable form; however, any such costs which result in enhancing the value of the marketable oil, gas or other products to receive a better price may be deducted from Lessor's share of production so long as they are based on Lessee's actual cost of such enhancements. However, in no event shall Lessor receive a price that is less than, or more than, the price received by Lessee.

Initialed by Lessor

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DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

DALLAS

TX 75201

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

DO NOT DESTROY WARNING - THIS IS PART OF THE OFFICIAL RECORD.

Filed For Registration:

12/19/2008 08:27 AM

Instrument #:

D208461053

LSE

5 PGS

\$28.00

D208461053

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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